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Joint Subcommittee Hearing Statement of Chairman Bennie G. Thompson (D-MS)

Reviewing Federal and State Pandemic Supply Preparedness and Response July 14, 2020

The COVID-19 pandemic has put our nation in crisis. To date, the United States has reported over 3 million COVID-19 cases and well over 130,000 people have died from complications associated with the virus. Even as states continue to set daily records for infections and new "hotspots" begin to emerge, the nation's top medical experts and scientists are predicting a second wave of COVID-19 infections.

Obtaining and distributing critical supplies and medical equipment has proven to be among the most important and challenging factors in responding to COVID-19. The American people are looking to the Federal government for leadership and support as the nation navigates these troubling times.

The absence of leadership from the White House has resulted in the lack of a clear, coordinated Federal procurement strategy that has caused complications and delays in states getting essential equipment. For example, President Trump told governors "[t]he Federal government is not supposed to be out there buying vast amounts of items and then shipping. You know, we're not a shipping clerk," causing panic and chaos in the procurement process and reducing states' ability to acquire what they need. In addition, states having to compete not only with each other for these critical supplies, but also with the rest of the world, significantly drove up prices.

When FEMA took a larger role in the Federal response six weeks into the pandemic, its main responsibility was to improve the nation's access to these critical supplies through initiatives like the Supply Chain Stabilization Task Force and Project Airbridge. However, it was unrealistic to expect FEMA to come in and manage a full-blown crisis while planning for and responding to natural disasters, and to do it with a contracting workforce that has been understaffed and overworked in recent years.

FEMA's initiatives caused confusion. States reported issues with communication surrounding equipment availability and delivery timeframes. Just last week, Governor Pritzker of Illinois called Project Airbridge an "utter and complete failure" in testimony before this Committee. That assessment is unsurprising given the accounts of non-Federal volunteers, led by Jared Kushner, being embedded at FEMA to work on Project Airbridge. Jared Kushner's actions further contributed to confusion over who was in charge.

While the Committee has repeatedly requested more information on Project Airbridge, FEMA has yet to provide the requested documents and information needed for us to do our oversight work. Though FEMA was the Administration's choice for this mission because of its experience in disaster contracting and logistics, it has had a history of disaster contracting challenges. Infamous contracting fiascos like the awards made to Bronze Star and Tribute during the 2017 hurricane season demonstrate FEMA's difficulty getting its procurement responsibilities right during the height of disasters.

FEMA still struggles in this area, with the Agency having to cancel a \$55 million contract with Panthera in May for its failure to deliver any of the N95 masks that the company promised. The company had no prior experience obtaining medical supplies or equipment and its parent company was bankrupt—Panthera should never have been awarded a contract in the first place.

As COVID-19 cases continue to rise in states across the country, we must learn from our mistakes and adapt the Federal response to better meet the needs of our communities and frontline workers.

There is still time to get FEMA on track with its procurement processes in hopes that the nation's preparedness posture will be much improved as we continue to battle the growing first wave of COVID-19 and prepare for a possible second wave in the fall.

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